Flowchart for Use of Addendum Regarding Brokers' Fees (TXR 2406)

Paragraph A

Paragraph A. Addendum Controls. This paragraph states that if there is any conflict between this addendum and the sales contract, the terms of this addendum will control.

Paragraph B

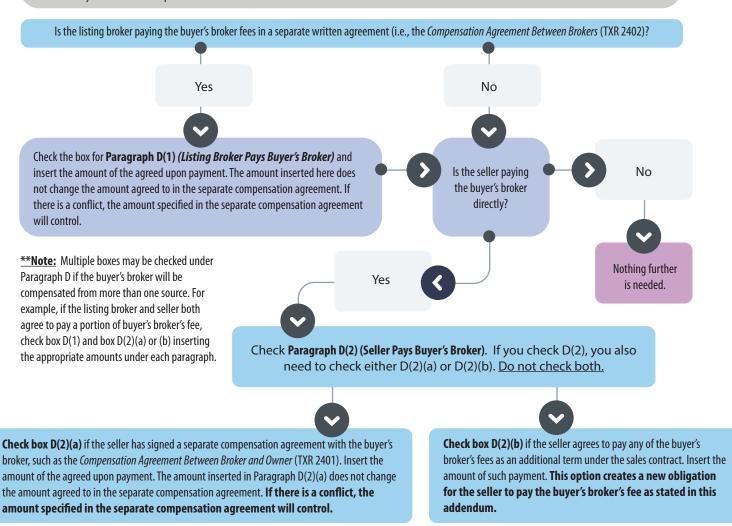
Paragraph B. Fees. Insert the county in Texas where the fees must be paid in cash. This county can be where your brokerage office, the property, or the title company that is closing the transaction is located.

Paragraph C

Paragraph C. Listing Broker's Fees. States that the listing broker will be paid a fee by the seller as specified in a separate written agreement (i.e., a listing agreement)

Paragraph D

Paragraph D. Other Broker's Fees. States that the buyer's broker may be paid by the seller or listing broker, depending on which box, if any, is checked. Also states that the buyer shall pay any remaining amount due to the buyer's broker as specified in a separate written agreement (i.e., a buyer representation agreement). Any payment from the seller or listing broker will be applied before the buyer's payment. Both D(1) and D(2) may be checked depending on how the buyer's broker will be paid.



Paragraph E

Paragraph E. Authorization. Authorizes the title company to disperse funds in accordance with this addendum.

<u>Intermediary:</u> The form can be used for intermediary transactions, but is not required. All fees to the Listing Broker should be handled through the representation agreements. Seller should <u>not</u> check paragraph D(2)(b) in this scenario because there is no Other Broker in an intermediary transaction.

